ing to be done, they are more inclined to hang back when there are any debts to be incurred or paid. We were therefore in the forefront of the Treasury queue and American opinion was apprehensive of our designs.

But there was another difficulty of a practical rather than a sentimental kind. America had never lent money abroad on any considerable scale.

No tradition lending[71]

When Lord Reading visited the States in 1915 to raise a loan for the purpose of financing our contracts, these American financiers shuddered at his proposal to fix the amount borrowed at £100,000,000. They regarded it as an example of the megalomania which sprang from War fever. When he succeeded, with much help as to a substantial portion from the contractors who would ultimately receive all, it was regarded as one of the greatest British triumphs in the War. Now the foreign borrowings were to reach $4,000,000,000 and the Treasury at Washington shrank from the magnitude of the Loan.

On 5th July, 1917, our Ambassador at Washington, Sir Cecil Spring-Rice, wrote a letter which *Spring-Rice* throws a light not only on the financial *letter* 05/7/77 difficulties, but on others which were impeding action at that date :—

" The situation here is much as it was in London in Canning's time when the Russian Ambassador used to call at the Foreign Office being

ignorant of French and slap his pockets and say 'aurum aurum.' As England was the sole financial resource of the Allies in the war against Napoleon so the United States are our sole resource from the financial point of view at the present moment. The Secretary